

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 43

March 7, 2013

SUMMARY OF BILL: Enacts the "Truth in Scholarship Act." Prohibits the awarding of financial aid that requires the award recipient to be a member of a particular race, ethnicity, or gender. Financial aid is defined as scholarships, grants, loans or other monetary assistance funded from state funds or funds of state public institutions that are used for attendance at a public institution of higher education. Declares that financial aid does not include monetary assistance of any kind that is funded by the federal government, individuals, or by entities that are not state entities that is used for attendance at public higher education institutions. Scholarships awarded for athletics that require the recipient to be male or female are excluded. Prohibits the awarding of Minority Teaching Fellowships beginning in the 2014-2015 academic year. All scholarships, grants, loans or other monetary assistance, and Minority Teaching Fellowships that were awarded in the 2013-2014 academic year and required the recipient to be a member of a particular race, ethnicity, or gender shall continue, if the recipient remains eligible to receive the award.

ESTIMATED FISCAL IMPACT:

**Decrease State Expenditures - \$200,000/FY14-15
\$400,000/FY15-16**

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), new awards for the Minority Teaching Fellows Program (MTFP) will end in FY14-15.
- The existing MTFP recipients will phase out over two fiscal years beginning in FY14-15. According to TSAC, the MTFP has awarded 40 new \$5,000 MTFP awards in each of the last two academic years.
- In FY14-15, the decrease in state expenditures is estimated to be \$200,000 (\$5,000 x 40).
- In FY15-16, the decrease in state expenditures is estimated to be \$400,000 (\$5,000 x 80).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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